USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - public distribution

Date: 7/16/2004

GAIN Report Number: PL4022

Poland

Product Brief

Dried Fruits and Nuts

2004

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Report Highlights:
Overall Polish imports of dried fruits and nuts increased 6.5 percent in 2003. US exporters have more opportunities to enter the market due to the May 1, 2004, accession of Poland to the EU. Demand for these products generally increased between January and May, stimulated by the Carnival Season

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Warsaw [PL1]
[PL]

Section I. Market Overview

Quick snacks and foods are showing continued expansion in the Polish food industry. Polish consumers perceive dried fruit & nuts as a positive, healthy form of food "on the go." As a result, this sector shows overall growth. Total imports of dried fruit & nuts in 2003 were 77,286 MT, a 6.5 percent increase from 2002. This developing market has brought forth a variety of changes, including bulk packaging. While bulk packaging brings in a higher quantity of product, it has proven to decrease overall quality. The lack of a tariff for raw shelled and unshelled peanuts and newly decreased tariffs for walnuts, pistachios, raisins, dried prunes, and mixed nuts due to the May 1, 2004, EU accession, may offer U.S. dried fruit and nut suppliers the opportunity to capture a larger market share in Poland.

Market research shows that about 32 percent of the Polish population buys a variety of nuts and dried fruits throughout the year. Nearly 65 percent of the Polish population purchases nuts once a month, 25 percent purchases nuts once a week, and 7 percent purchases nuts more than once a week. Among the nuts available on the Polish market, the following are the most popular: peanuts, walnuts, hazelnuts, almonds, and pistachios.

No detailed data on dried fruit consumption is available. The most popular dried fruits on the Polish market are: raisins, prunes, dates, apricots, figs, apples, and pears. Dried cranberries are occasionally offered on the market, however; due to the implementation of an ad valorem tariff which is being applied to certain US products in retaliation for unfair trade activities by the US; the potential for expansion in this area has been limited.

Demand for these products greatly increases between January and May. This is stimulated by Carnival season, Easter holidays, and a decrease in fresh fruit consumption during this period. Polish consumers, ages 15 to 19, are the biggest consumers of dried fruit and nuts. This age group likes the health food aspect and use of nuts and dried fruit as snacks. In addition, these products are also quite popular with the 20-49 year old age group. Consumption in the age group above 50 years is very marginal. Consumption decreases at this age mainly due to low-income levels and no tradition of using nuts and dried fruit as snacks. Market research results show that these products are most popular in medium (population above 500,000 people) and larger cities among consumers with at least high school education and college degrees within the medium and high-income levels.

Advantages	Challenges
Polish consumption of dried fruit & nuts is on the rise.	Competition with snack food industry.
Market is opening to new products such as flavored and roasted peanuts and almonds. Further development of alcoholic beverage advertisement could be utilized to promote this new category.	EU member states are allowed duty free market access.
Tariffs on walnuts, pistachios, raisins, prunes, and mixed nuts have been significantly reduced: in shell walnuts (20%) decreased to 4%, while shelled walnuts (25%) decreased to 5.1%, pistachios (16%) decreased to 1.6%, while raisins (9%) dropped to 2.4%, prunes (25%) fell to 9.6%, and mixed nuts (25%) decreased to 4%.	Spanish producers currently dominate the market for almonds due to much lower product costs. Market promotions of US products are required in order to convince Polish importers to switch to US products.
Consumers consider U.S. products to be higher quality.	Getting fresh products to the consumer.

Section II. Market Sector Opportunities and Threats

1) Entry Strategy

Larger firms have traditionally distributed products in this sector through wholesalers. However, more dried fruit & nut importers are tending toward direct distribution to the retail market. Direct distribution reduces overall cost and avoids the loss of product freshness that results in declining sales. Larger firms have also introduced sales representatives in the field to process orders and to disseminate market information back to the firm. The smaller, less capital accessible firms still rely on the wholesaler link to the market. These firms do not have the capital necessary to distribute their product internally.

Exporters of U.S. dried fruit and nuts may obtain a list of current Polish importers by contacting the Office of Agricultural Affairs at the U.S. Embassy in Warsaw (see Section V).

2) Market Size, Structure, Trends

The retail centers for dried fruit & nut sales are broken into several segments. They include hypermarkets, supermarkets and discount stores, convenience stores, traditional stores, and kiosks. Hypermarkets have been growing in number throughout Poland and offer the largest variety and shelf space of any segment. Supermarkets and discount stores also offer a large variety of dried fruit & nuts and shelf space. Convenience stores are a new and growing distribution channel located at railway, bus, and gas stations throughout Poland. The number of these stores is expected to double over next few years and will likely offer the greatest potential for market growth in snack products such as dried fruit & nuts. In addition, Poland’s vehicle sales increased sharply in the 1990's. Although this trend does not continue, sales continue to increase slightly, which makes the gas stations with food stores an increasingly attractive retail outlet. Traditional stores and kiosks offer the least amount of variety and shelf space for dried fruit & nuts but make up the largest percentage of stores.

In terms of substitutes, the potato chip/snack food industry competes heavily with the dried fruit and nuts sector. Firms involved in this industry advertise heavily through TV and billboards to increase their sales of these products. Fresh fruit and vegetables compete with dried fruit and nuts during the months of June through August. Consumption of dried fruit and nuts is the strongest during the months of September through May.

While overall imports of dried fruits and nuts have grown 6.5 percent, new trends in market development have promoted an increase in bulk packaging from grams to kilograms, which has dampened quality. In addition, foreign retail outlets in Poland often demand the same product terms and prices as occur among their Western European outlets. The following tables show a break down of the dried fruit and nuts imported to Poland.

Table I. Dried Fruit & Nuts Import Tables

Almonds, In Shell, Fresh or Dried, 080211						
	2001		2002		2003	
Country	Quantity in Metric Tons	US$	Quantity in Metric Tons	US$	Quantity in Metric Tons	US$
United States	150	399297	264	660175	182	569355
Spain	22	64374	9	31678	1	5539
World Total	191	520968	274	695051	184	575355

Almonds, Fresh or Dried, Shelled, 080212						
	2001		2002		2003	
Country	Quantity in Metric Tons	US$	Quantity in Metric Tons	US$	Quantity in Metric Tons	US$
Spain	609	1935108	842	3132410	923	3964709
United States	693	1993908	837	2537318	893	3666245
Italy	0.025	132	0.143	813	66	321546
Greece	0	0	0	0	12	57109
World Total	1365	4117979	1709	5797673	1896	8016483

Raisins, 080620						
	2001		2002		2003	
Country	Quantity in Metric Tons	US$	Quantity in Metric Tons	US$	Quantity in Metric Tons	US$
Iran	6578	4373601	7210	4713098	8426	6953038
Greece	3931	3726799	3271	3106914	1831	2352061
Turkey	2847	1896085	2310	1807547	1724	1504077
United States	1180	1277239	1071	1069420	777	858719
World Total	14830	11583263	14466	11228618	13715	12846489

Peanuts, In Shell, Not Roasted or Cooked, 120210						
	2001		2002		2003	
Country	Quantity in Metric Tons	US$	Quantity in Metric Tons	US$	Quantity in Metric Tons	US$
China	4408	2773741	8412	3932126	6189	3932126
Switzerland	9	4784	113	54284	103	54013
Vietnam	5	3855	4	1771	2	1576
Uzbekistan	0	0	0	0	1	239
World Total	4466	2831260	8816	4777897	6294	3987996

Peanuts, Shelled, Not Roasted, or Cooked, 120220						
	2001		2002		2003	
Country	Quantity in Metric Tons	US$	Quantity in Metric Tons	US$	Quantity in Metric Tons	US$
China	10756	7607755	11499	7517295	15025	11366787
Argentina	4794	3907682	4554	3330696	7351	5816550
Brazil	104	61907	255	155776	817465	1180
United States	897	763653	3499	2983975	692	681727
World Total	19797	14528486	22203	15445040	25251	19422010

Mixture of Nuts or Dried Fruits, 081350						
	2001		2002		2003	
Country	Quantity in Metric Tons	US$	Quantity in Metric Tons	US$	Quantity in Metric Tons	US$
Germany	17	66666	20	104105	35	154160
Hungary	0	0	0	0	42	16989
Austria	1	10217	2	12135	1	16580
Ukraine	2	8174	0	0	9	6580
World Total	29	107860	30	129258	93	225479

Pistachios, Fresh or Dried, 080250						
	2001		2002		2003	
Country	Quantity in Metric Tons	US$	Quantity in Metric Tons	US$	Quantity in Metric Tons	US$
Iran	867	2687093	951	3023327	1147	3465081
Turkey	183	507372	31	99032	41	122391
United States	1	2179	0	0	31	73566
Italy	13	32191	30	84639	21	62139
World Total	1066	3238827	1025	3248252	1241	3733519

Prunes, Dried, 081320						
	2001		2002		2003	
Country	Quantity in Metric Tons	US$	Quantity in Metric Tons	US$	Quantity in Metric Tons	US$
Argentina	70	10168	621	855355	1759	2453891
United States	2499	3620118	1011	1734554	971	1526560
Chile	423	563147	1085	1454830	934	1330000
France	26	44603	1	5281	72	112626
Slovakia	0	0	24	42270	24	39679
World Total	3044	4342616	2881	4278769	3849	5547830

Walnuts in Shell, Fresh or Dried, 080231						
	2001		2002		2003	
Country	Quantity in Metric Tons	US$	Quantity in Metric Tons	US$	Quantity in Metric Tons	US$
France	274	197578	230	210129	250	224895
United States	103	62441	95	57718	90	79394
Spain	0	0	0	0	2	4367
World Total	377	260803	327	270446	342	309243

Walnuts, Fresh or Dried, Shelled, 080232						
	2001		2002		2003	
Country	Quantity in Metric Tons	US$	Quantity in Metric Tons	US$	Quantity in Metric Tons	US$
Moldova	2	9428	0.336	502	6	51834
Germany	2	11916	1	6054	3	42918
India	4	31659	2	19014	2	24030
France	9	43141	32	91290	2	14829
World Total	46	165180	45	139730	21	155401

Sunflower Seeds, Whether or Not Shelled and in a Grey and White Striped Shell (Excl. for Sowing), 12060091						
	2001		2002		2003	
Country	Quantity in Metric Tons	US$	Quantity in Metric Tons	US$	Quantity in Metric Tons	US$
Hungary	*	*	8989	3942452	7180	3734635
China	*	*	907	782405	2782	2224313
United States	*	*	1487	1195407	664	453091
Czech Republic	*	*	175	63114	373	152213
World Total	*	*	11932	6173517	11318	6704127

* Denotes information that is unavailable.
Source: World Trade Atlas

3.) Market Preferences

Flavored peanuts, almonds, and hazelnuts have recently become popular among Polish consumers. Spicy flavors tend to be most appealing. Coated peanuts, referred to as double crunch peanuts, are also rather popular among Poles, and are available salted or flavored. Energy bars produced from grains, nuts, and dried fruits are becoming more visible on the market as the society moves towards becoming more health conscious. Products from companies outside of Poland primarily dominate the energy bar market, however; Polish companies are starting to produce these bars under their own brands. Chocolate manufacturers are also starting to look for high quality ingredients to ensure longer shelf life of their products. This has led to an increased demand for high quality nuts as raw materials. Due to increased local demand, Polish importers have become more interested in larger orders increasing the demand for direct shipments from the US.

Section III. Costs & Prices

Costs of dried fruits and nuts vary by the market in which they are sold (upper, middle, lower income), in addition to the brand they carry. However, overall price fluctuation is moderate. The following depicts retail prices for dried fruit and nuts in July 2004.

Table II. Retail Prices

Product	Price	Quantity	Brand
Double Crunch Peanuts, Flavors: Chili, BBQ, and Paprika	4.89	120g	Felix
Double Crunch Peanuts, Plain	4.09	125g	Lorenz
Double Crunch Peanuts, Plain	4.19	150g	Felix
Honey Roasted Peanuts	4.29	150g	Aromat
Honey Roasted Peanuts	6.79	300g	Felix
In-Shell Salted Peanuts	1.99	250g	Euroshopper
Lightly Salted Peanuts	7.99	500g	Felix
Mexican Peanuts	3.65	120g	Aromat
Mexican Peanuts	3.75	150g	Aromat
Picante Peanuts	2.45	90g	Konpex
Paprika (Picante) Peanuts	4.19	150g	Felix
Picante Peanuts	6.59	300g	Felix
Mixed Nuts	13.99	185g	Vivat
Mixed Nuts	11.95	250g	Uno Quality
Mixed Nuts with Raisins	5.89	200g	Lorenz
Mixed Nuts with Raisins	9.95	300g	Uno Quality
Mixed Fruits	5.79	200g	Not Available

Pistachios	4.55	65g	Konpex
Pistachios	4.99	80g	Uno Quality
Pistachios	5.39	100g	Felix
Pistachios	7.99	100g	Uno Quality
Pistachios	16.95	250g	Uno Quality
Pistachios	15.49	300g	Felix
Pistachios	17.95	400g	Bakalland
Dried Apricots	6.99	200g	Hypernova
Dried Apricots	9.95	250g	Uno Quality
Dried Apricots	15.95	500g	Bakalland
Prunes	2.39	100g	Bakalland
Prunes	9.95	200g	Sunsweet
Prunes	17.89	270g	St. DalFour (French)
Prunes	9.95	300g	Uno Quality
Prunes	12.95	500g	Bakalland
Prunes	22.95	500g	Sunsweet
Raisins	2.49	200g	Bakalland
Raisins	3.99	500g	Makar
Raisins	5.49	500g	Bakalland
Greek Raisins	2.99	300g	Hypernova
Greek Raisins	3.49	300g	Albert
Almonds	2.99	50g	Ciete
Almonds	6.99	200g	Hypernova
Almonds	8.99	200g	Albert
Almonds	12.95	250g	Uno Quality
Almonds	19.95	500g	Bakalland
Salted Almonds	6.99	80g	Konpex
Salted Peanuts	1.49	80g	Jutrzenka
Salted Peanuts	2.45	90g	Konpex
Salted Peanuts	2.89	150g	Hypernova
Salted Peanuts	2.99	150g	Albert
Salted Peanuts	3.15	100g	Aromat
Salted Peanuts	3.55	150g	Aromat
Salted Peanuts	4.19	200g	Lorenz
Salted Peanuts	4.29	150g	Felix
Salted Peanuts	4.65	500g	Pop Top
Salted Peanuts	6.99	500g	Gorilla
Salted Peanuts	8.49	500g	Felix
Salted Peanuts	13.99	1000g	Aromat
Unsalted Peanuts	4.29	150g	Felix
Unsalted Peanuts	8.49	500g	Felix

Walnuts	6.45	250g	Florpak
Walnuts	12.95	400g	Uno Quality, Bakalland
Almonds in Shell	17.99	225g	Noci
Walnuts in Shell	16.99	350g	Noci
Sunflower Seeds in Shell	1.79	200g	Brand Not Available
Sunflower Seeds in Shell	0.99	100g	Brand Not Available
BULK			
Peanuts in Shell	9.95/kg		
Shelled Peanuts	12.95/kg		
Raisins	9.95/kg		
Mixed Dried Fruit	29.95/kg		
Sunflower Seeds	8.99/kg		
ORGANIC			
Walnuts	16.49	100g	Imported, Brand Not Available
Raisins	10.49	200g	Imported, Brand Not Available
Dried Apricots	13.99	200g	Imported, Brand Not Available
Dried Apricots	4.99	150g	Bakal Center

Source: FAS Warsaw Field Research

Poland's import tariffs on dried fruit and nuts are drastically reduced due to the May 1, 2004, EU accession. As a result of the accession, EU member states receive duty free market access.

Table III. Dried Fruits and Nut Tariffs

CN Code	Name of Product	EU Tariff
08021110	Almonds, in shell, bitter	0%
08021190	Almonds, in shell, other	5.6%*
08021210	Almonds, shelled, bitter	0%
08021290	Almonds, shelled, other	3.5%*
080231	Walnuts, in shell	4%
080232	Walnuts, shelled	5.10%
080250	Pistachios	1.60%
080620	Raisins	2.40%
081320	Prunes, dried	9.60%
08134095	Cranberries, dried	2.4%**
08135031	Mixture of nuts	4%
120210	Peanuts, in shell	0%
120220	Peanuts, shelled	0%
12060091	Sunflower Seeds	0%

*Other Almonds, in shell and shelled, have a quota of 900,000 tons, with a tariff quota 2%.

**In addition to this tariff an ad valorem tariff is being applied to this product. The additional tariff for the month of July 2004, is 9%, and will increase by 1% each month until it reaches 17% in March 2005. On March 1,2005, this additional tariff is subject to revision.

Section IV. Market Access

The Polish government works to ensure the safety and quality of food for Polish consumers through a number of regulatory means. Information specifically pertaining to Poland may be obtained from FAS's Food and Agricultural Import Regulations and Standards (FAIRS) report for Poland, which will be updated to reflect the new EU regulations in August 2004. Most of the newer measures are the same as those observed in the European Union. The most important EU regulations can be found in FAS's FAIRS report for the European Union, which can be found at the following address http://www.useu.be/agri/usda.html.

- Registration of a new imported product:

All imported products must be approved for sale or use on the Polish market. Registration and approval of imported products is much simpler if the product has already received approval for sale in another EU nation. In order to test or register a new product or start procedures for receiving approval of a new additive, (not specified in the approved additives list), the following procedure should be followed:

Appropriate Voivod Sanitary Station should be contacted. In Warsaw - the Wojewodzka Stacja Sanitarna (SANEPID) is the appropriate contact.

An appropriate local sanitary station must be supplied with a product sample for testing. The tests can take between 2 weeks and 2 months. The cost is difficult to estimate but may amount to $250.00 per product. An estimate of the cost can be obtained from the SANEPID station when it is presented with product details. The lab tests for product ingredients determine whether they are permitted on the Polish market.

If it is determined that all the ingredients are allowed on the Polish market, SANEPID test results are sufficient for the product to be sold in Poland. However, should some ingredients be questioned, additional requests must be submitted to State Hygiene Office (Panstwowy Zaklad Higieny).

Please note that product testing in SANEPID can only be ordered by a firm **registered in Poland** (eg. potential importer). Each region in Poland has appropriate sanitary stations (a list is available from Warsaw SANEPID)- eg. Only firms registered in Warsaw or neighboring areas can conduct product testing in the Warsaw Sanitary Station).

Effective July 15, 1994 per Journal of Law no. 86 chapter 402, all package/canned food products are required to have <u>Polish language</u> labels. Multi-language labels are acceptable as long as they include Polish. The label must contain: name of the product, name and address of the producer, date - to be consumed before - the Polish phrase "nalezy spozyc do XXX" is commonly used, net content (weight/capacity), and content of the product (ingredients, chemical additives, etc.)

Labeling must be applied in the form of a whole label or a permanent sticker <u>before</u> the product can enter Poland. Products arriving in Poland without appropriate labels will be detained at the border until appropriate labels are applied.

Poland's Ministry of Health and Social Welfare published a new regulation (Journal of Law no. 87 dtd. May 19, 2003) on food additives on June 3, 2003. Poland uses a positive-additives list, which identifies additives that are permitted for use in foodstuffs. This particular regulation has been one of the most difficult obstacles facing imported products. The new list is in line with the current EU regulations. **Please note:** As each EU member state has a different list of allowable food additives it is vital for all U.S. exporters to check with the potential Polish importers about whether the product intended for the Polish market meets all the ingredient requirements.

If you would like to contact authorities directly involved in preparing regulations on food additives and inspection of additive levels in imported products, please contact the National Food and Nutrition Institute.

Section V. Key Contacts and Further Information

Embassy of the United States of America
Office of Agricultural Affairs, Warsaw, Poland
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Mazowiecka Sanitary Station - SANEPID - actual tests & check ups
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For aflatoxin information please contact:
State Hygiene Office- (Panstwowy Zaklad Higieny) - PZH Prof. Jan Krzysztof Ludwicki, Director, ph: 4822-8497084
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